



Comptroller General
of the United States

95578

Washington, D.C. 20548

Decision

Matter of: Emerald City International Corp.

File: B-256604

Date: July 28, 1994

DIGEST

The General Accounting Office will not question an agency's calculation of the value of damage to an item in a shipment of household goods unless the carrier presents clear and convincing evidence that the agency's calculation was unreasonable.

DECISION

Emerald City International Corporation (EMCI) requests review of our Claims Group's settlement denying it a refund of \$1,805 that the Department of the Navy set off from receivables otherwise due to the company for transit loss and damage to a service member's household goods.¹ We affirm the Claims Group's settlement.

EMCI disputes its liability with respect to a sectional sofa with recliner (inventory items 14 and 15). The member's household goods were picked up from Goose Creek, South Carolina, on April 4, 1991, and delivered to St. Louis, Missouri, on May 1, 1991. On delivery, the member noted that the sofa was dirty and had several badly worn areas, and the recliner was broken. The estimated cost to repair the damage was \$4,096.85, and the estimated replacement cost was \$3,851.80. The sofa was less than 6 months old and, according to the member, had been purchased for \$1,900. The Navy paid the member 5 percent less than the original purchase price of \$1,900, or \$1,805, pursuant to the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, 31 U.S.C. § 3721. The Navy recovered the amount from EMCI.

Our Claims Group agreed with the Navy that the record established a prima facie case against EMCI, and that the amount of the Navy's award to the member and assessment against the carrier was reasonable.

¹The move was accomplished under personal property government bill of lading RP 752,427.

Our Office will not question an agency's calculation of the value of damages to a shipment of household goods without clear and convincing evidence from the carrier that the agency acted unreasonably. Ambassador Van Lines, Inc., B-249072, Oct. 30, 1992. The record shows that after investigation through catalogs and furniture stores, the Navy determined that \$1,900 for a sectional sofa and recliner was reasonable.² EMCI argues that based on the value of the service member's other furniture, EMCI does not believe that the member had a sofa valued at \$1,900. However, EMCI has offered no substantive evidence to rebut the Navy's assessment of the value of the sofa.

EMCI points out that the record includes a replacement cost estimate of \$3,857.80 that is based on a four-piece sectional sofa but only two sofa items were listed on the inventory, items 14 and 15. That observation, however, does not establish that the Navy's conclusion that the amount the member says he paid for his sectional sofa, \$1,900, was unreasonable.

The Claims Group's settlement is affirmed.

/s/ Seymour Efros
for Robert P. Murphy
Acting General Counsel

²EMCI says that it has been unable to find out where the member bought the sofa. The Navy, however, reports that it did inform the carrier when it contacted the store the member says sold the sofa to him. (Neither the member nor the store was able to present a receipt.)